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Diana T Fritz 02/06/2007 05:31:26 PM From DB/Inbox: Search Results

Cable
Text:

CONFIDENTIAL

SIPDIS
TELEGRAM

June 30, 2004

To: No Action Addressee
Action: Unknown
From: AMEMBASSY ABU DHABI (ABU DHABI 2171 - ROUTINE)
TAGS: ECON, PGOV, PREL
Captions: None
Subject: UAE: TALK ABOUT TOWN
Ref: None

C O N F I D E N T I A L ABU DHABI 02171

SIPDIS
Laser1:
INFO: FCS
CXABU:
ACTION: ECON
INFO: P/M AMB DCM POL

DISSEMINATION: ECON
CHARGE: PROG

APPROVED: CDA: RALBRIGHT
DRAFTED: ECON: NALLOO
CLEARED: ECON: CCRUMPLER; FCS: MOBRIEN; CBD: MCARVER

VZCZCADI799
RR RUEHC RUEHZM RUCPDOC RHEBAAA RUEAIIA RHEFDIA
RUCJACC
DE RUEHAD #2171/01 1821123
ZNY CCCCC ZZH
R 301123Z JUN 04
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 4925
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUCPDOC/USDOC WASHDC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUCJACC/USCINCCENT MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 002171

SIPDIS

DEPT FOR NEA/RA, NEA/ARP, INR/EC, EB/IEP, EB/CBA
USDOE FOR INT'L AFFAIRS OBURN, ALSO CALIENDO
USDOC FOR 1000/OC/
USDOC FOR 4520/ITA/IEP/ONE
USDOC FOR 4530/ITA/MAC/ONE/DGUGLIELMI
4500/ITA/MAC/DAS/WILLIAMSON
3131/CS/OIO/ANESA

E.O. 12958: DECL 06/30/09
TAGS: [ECON](#) [PGOV](#) [PREL](#) [TC](#)
SUBJECT: UAE: TALK ABOUT TOWN

REF: ABU DHABI 1016

¶1. (U) Classified by Charge d'Affaires, a.i. Richard A. Albright, for reasons 1.5 (B) and (D).

¶2. (U) The "Talk About Town" series by the U.S. Mission in the UAE -- Embassy Abu Dhabi and Consulate General Dubai -- is provided on a periodic basis, and intended to report on local business atmospherics and commercial developments in the UAE. Although uncorroborated by UAE officialdom and anecdotal in nature, the cables provide Washington audiences with the information we hear frequently in the majlises and living rooms throughout the UAE.

A Palace Fit for Kings

¶3. (SBU) Local sources confirmed with Econoff that the name of the government-owned Bani Yas Palace, currently under construction along the Corniche in Abu Dhabi, has been changed to the "Emirates Palace" to portray the diverse tribal backgrounds of the Emirates. Although the Bani Yas is the most prominent tribe in Abu Dhabi (by virtue of its most famous tribal son, President Zayed), it does not encompass the heritage of all nationals. The extravagant Emirates Palace, costing \$1.2 billion to build, will serve as a seven star hotel and convention center. It is being erected especially to host the GCC Summit that will be held in Abu Dhabi in December. On a related note, rumor has it that Abu Dhabi Crown Prince Shaykh Khalifa ordered the removal of two massive roundabouts leading to the Emirates Palace (including the local-favorite "Falcon Roundabout" in front of the Intercontinental Hotel) to create a clear line of sight as one approaches the Palace. Other sources claim that the roundabouts are in actuality being removed for safety reasons.

Dangerous Liaisons

¶4. (U) UAE English-language newspaper Gulf News reported that the UAEG officially denied stories by Israeli media claiming extensive talks with Israel were underway about opening a liaison office in Abu Dhabi. Israeli army radio and the Israeli Haaretz newspaper had reported that negotiations regarding the liaison office were already at an advanced stage and lawyers were now concentrating on issues such as security and location. However, UAE Defense Minister and Dubai Crown Prince Shaykh Mohammed bin Rashid Al Maktoum refuted the allegation as baseless, stating to the press June 26 that "the UAE has no intention nor a plan to normalize ties with Israel until the Palestinian issue is totally resolved in a just and comprehensive way, which will return to Arabs all their rights." Gulf News reported that another government source dismissed the rumor as "Israeli propaganda," claiming "Israel is trying to gain some assets for the so-called Gazaseparation plan."

More Shopping?

¶5. (U) Local business people claim that Shaykha Fatima has ordered construction of yet another mall in Abu Dhabi, to be located near the Intercontinental Hotel. The mall will compete with the existing Abu Dhabi and Marina Malls, as well as the upcoming Khalidiya Mall, and will also include residential living space. Adding to this shopping extravaganza, Marina Mall will also be expanding its capacity by 40 percent to include an ice-skating rink and a tower-top restaurant. According to a marketing representative at Marina Mall, the mall construction is part of an initiative by the Tourism Board to lure tourists to Abu Dhabi, who would otherwise go to Dubai.

Property for Sale, Laundry Included

¶6. (C) In a recent meeting with Dubai PolEconoff, MENA

Division Risk Manager at Citigroup Raj Dvivedi (please protect), commented on Dubai's planned offshore banking center, the Dubai International Financial Center (DIFC), on money-laundering, and on the property market. First, Dvivedi said Citi would probably set up shop in the DIFC, moving 60 to 80 back office jobs from Bahrain to the DIFC. Separately, Divendi said that he believed the "number one risk in Dubai is money-laundering and property." Without elaborating further, he added that there is a lot of speculation in the property market, with many snapping up multiple properties solely with the aim of "flipping" them for a quick profit. Although Divendi's comments are nebulous at best, many of our contacts note that Dubai is over-building, and high property prices are not necessarily indicative of genuine demand. Many here (including the UAEG) recognize the emerging property market in Dubai as a potential new vehicle for money laundering.

Begging: A Regional Profession

17. (U) According to press, UAE authorities are attempting to crack down on a band of roughly 100 beggars that are exploiting the sympathies of UAE residents. The beggars, the majority of whom are Saudi and Omani nationals, have taken permanent refuge in the UAE and claim to be supporting families back home. Although begging is a banned practice in the UAE, members of the group have demonstrated no intention of halting their profitable operations. The men's GCC nationality allows them to easily evade arrest or shift location whenever questioned by UAE police for their suspicious behavior, which includes taking refuge in mosques and emerging during evenings to begin their begging escapades. When asked why they have chosen the UAE as their final destination, a Saudi member of the band responded that it is due to the generosity of UAE people; donations to the group are constant and plentiful. The phenomenon of targeting generous UAE residents is not a new one. In Ramadan, swoons of beggars from Sudan, Oman, and surrounding countries flock to the UAE, eager to benefit from the increased level of alms giving during the holy month of fasting.

18. (U) This cable has been coordinated with ConGen Dubai.

Albright